

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
Jacqueline Marcus

Attorneys for Debtors
and Debtors in Possession

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	
	:
In re	:
	:
LEHMAN BROTHERS HOLDINGS INC., et al.,	:
	:
Debtors.	:
	:
	:
-----X	

Chapter 11 Case No.
08-13555 (JMP)
(Jointly Administered)

**CERTIFICATE OF NO OBJECTION UNDER 28 U.S.C.
§ 1746 REGARDING THE DEBTORS' MOTION FOR AN
ORDER PURSUANT TO RULE 9019 OF THE FEDERAL
RULES OF BANKRUPTCY PROCEDURE AUTHORIZING
AND APPROVING SETTLEMENT BETWEEN LEHMAN
COMMERCIAL PAPER INC. AND PYRRHULOXIA LP**

TO THE HONORABLE JAMES M. PECK
UNITED STATES BANKRUPTCY JUDGE:

Pursuant to 28 U.S.C. § 1746, and in accordance with this Court's case management procedures set forth in the Amended Order Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rules 1015(c) and 9007 Implementing Certain Notice and Case Management Procedures [Docket No. 2837], dated February 13, 2009 (the "Amended Case Management Order"), the undersigned hereby certifies as follows:

1. On March 5, 2009, the undersigned, on behalf of Lehman Brothers Holdings Inc. and its affiliated debtor, Lehman Commercial Paper Inc., as debtors and debtors in possession (together, the "Debtors"), filed with this Court the Motion for an Order Pursuant to Rule 9019 of the

Federal Rules of Bankruptcy Procedure Authorizing and Approving Settlement Between Lehman Commercial Paper Inc. and Pyrrhuloxia LP (the “Motion”) [Docket No. 2996]. Notice of the Motion was served in accordance with the procedures set forth in the Amended Case Management Order on (i) the United States Trustee for the Southern District of New York; (ii) the attorneys for the statutory committee of unsecured creditors (the “Creditors’ Committee”); (iii) the Securities and Exchange Commission; (iv) the Internal Revenue Service; (v) the United States Attorney for the Southern District of New York; (vi) the attorneys for Pyrrhuloxia LP; and (vii) all parties who have requested notice in these chapter 11 cases. The Debtors submit that no other or further notice need be provided.

2. In accordance with the Amended Case Management Order, March 16, 2009 at 4:00 p.m. (Prevailing Eastern Time) was established as the deadline for parties to object or file a response to Motion (the “Objection Deadline”).¹ The Amended Case Management Order provides that pleadings may be granted without a hearing provided that no objections have been filed prior to the Objection Deadline and that the attorney for the entity who filed the pleading complies with the relevant procedural and notice requirements.

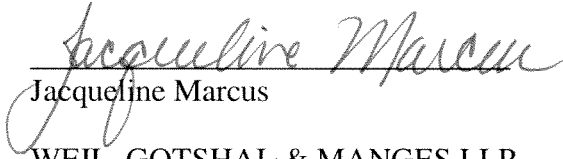
3. The Objection Deadline has now passed and, to the best of my knowledge, no objections or other responsive pleadings to the Motion have been filed with the Court on the dockets of the above-referenced cases in accordance with the procedures set forth in the Amended Case Management Order, nor has any objection or other responsive pleading with respect to the Motion been served on Debtors’ counsel.

¹ The Creditors’ Committee requested that the Objection Deadline be extended to March 19, 2009 (the “Extension”). The Debtors agreed to the Extension. The Creditors’ Committee did not file an objection during the period of the Extension.

4. Accordingly, for the reasons set forth in the Motion, the Debtors respectfully request that the proposed order (the "Proposed Order"), annexed hereto as Exhibit A, and unmodified since its filing, be entered in accordance with the procedures described in the Amended Case Management Order.

I declare that the foregoing is true and correct.

Dated: March 23, 2009
New York, New York



Jacqueline Marcus

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

EXHIBIT A

PROPOSED ORDER

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X
:
In re : **Chapter 11 Case No.**
:
LEHMAN BROTHERS HOLDINGS INC., et al., : **08-13555 (JMP)**
:
Debtors. : **(Jointly Administered)**
:
-----X

**ORDER PURSUANT TO RULE 9019 OF
THE FEDERAL RULES OF BANKRUPTCY PROCEDURE
AUTHORIZING AND APPROVING A SETTLEMENT BETWEEN
LEHMAN COMMERCIAL PAPER INC. AND PYRRHULOXIA LP**

Upon the motion, dated March 5, 2009 (the "Motion"), of Lehman Brothers Holdings Inc. ("LBHI") and its affiliated debtor, Lehman Commercial Paper Inc. ("LCPI"), as debtors and debtors-in-possession (together, the "Debtors"), for an order, pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), authorizing and approving a compromise and settlement on the terms set forth in a letter agreement dated March 3, 2009 between LCPI and Pyrrhuloxia LP ("Pyrrhuloxia") (the "Settlement Agreement"), a copy of which is annexed hereto as Exhibit A, all as more fully set forth in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and the Standing Order of Referral of Cases to Bankruptcy Court Judges of the District Court for the Southern District of New York, dated July 19, 1984 (Ward, Acting C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having reviewed the Motion; and

approval of the Settlement Agreement being within the sound discretion of the Court; and the relief requested in the Motion and the Settlement Agreement being fair and equitable, in the best interests of the Debtors' estates, and above the lowest point in the range of reasonableness; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted; and it is further

ORDERED that, pursuant to Bankruptcy Rule 9019, the Settlement Agreement is approved; and it is further

ORDERED that the Debtors are authorized to execute, deliver, implement and fully perform any and all obligations, instruments, documents and papers and to take any and all actions reasonably necessary or appropriate to consummate the Settlement Agreement and perform any and all obligations contemplated therein; and it is further

ORDERED that the Bankruptcy Court retains jurisdiction to enforce the Settlement Agreement and any disputes arising thereunder.

Dated: March __, 2009
New York, New York

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

(Redacted Settlement Agreement)

Lehman Commercial Paper Inc.
1271 Avenue of the Americas
New York, New York 10020

March 3, 2009

Pyrrhuloxia, LP
2100 McKinney, Suite 1770
Dallas, Texas 75201

**Re: Lehman Brothers Holdings Inc. –Motion of the
Debtors for an Order Pursuant to Section 365 of
the Bankruptcy Code Approving the Assumption
or Rejection of Open Trade Confirmations
[Docket 1541] (the “Motion”)**

Ladies and Gentlemen:

Reference is made to the above-referenced Motion. In the Motion, Lehman Commercial Paper Inc. (“LCPI”) proposed to assume fifteen open trade confirmations (the “Trades”) with Pyrrhuloxia, LP (“Pyrrhuloxia”).

In a Limited Joinder, dated December 10, 2008, Pyrrhuloxia objected to LCPI’s proposed treatment of the Trades (the “Objection”). By order dated December 16, 2008 the “December 16 Order”), the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) overruled the Objection. By notice of appeal, dated December 23, 2008, Pyrrhuloxia appealed the December 16 Order (the “Appeal”) to the United States District Court for the Southern District of New York (the “District Court”).

In order to resolve the Objection and the Appeal, LCPI and Pyrrhuloxia have agreed, as follows:

Pyrhuloxia LP
March 3, 2009
Page 2

1. LCPI will assume the following sales of Hawaiian Telcom Communications, Inc. Senior Secured Term Loan and Revolver ("Hawaiian Telcom Debt") to Pyrrhuloxia, at the reduced prices set forth with respect to each Trade set forth below:
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]
 - Trade dated [REDACTED] at [REDACTED]

Based upon the reduced prices set forth above, Pyrrhuloxia agrees to settle the Trades and to forego any further objection with respect to the Trades.

2. Pyrrhuloxia will waive any and all claims against LCPI relating to the Trades, and will forego any other setoff, recoupment, or counterclaims relating to the Trades, with the exception of claims that may arise hereunder or under the documents executed in connection with closing of the Trades. LCPI will waive any and all claims against Pyrrhuloxia relating to the Trades, and will forego any other setoff, recoupment, or counterclaims relating to the Trades, with the exception of claims that may arise hereunder or under the documents executed in connection with closing of the Trades.
3. LCPI and Pyrrhuloxia agree that, except for the reduction in purchase price set forth in paragraph 1, the Trades will settle in accordance with the LSTA Standard Terms and Conditions for Distressed Confirmations, including adjustments to pricing set forth therein.

Pyrrhuloxia LP
March 3, 2009
Page 3

4. Within five (5) days of execution of this letter agreement by LCPI and Pyrrhuloxia, LCPI shall file with the Bankruptcy Court a motion under Bankruptcy Rule 9019 (the "Rule 9019 Motion"), in form and substance reasonably satisfactory to Pyrrhuloxia, for authorization to compromise and settle the Objection and the Appeal on the terms provided herein.
5. This letter agreement shall be of no force or effect, and the parties shall have no obligations hereunder, other than the obligation to file the Rule 9019 Motion, unless and until the terms hereof are approved by the Bankruptcy Court (the "Approval Order").
6. Pending entry of the Approval Order, or denial of the Rule 9019 Motion, LCPI stipulates to a further extension of time for Pyrrhuloxia to file its appellate brief with the District Court. In the event that the Rule 9019 Motion is denied, LCPI stipulates that Pyrrhuloxia shall have ten (10) days from the date of entry of an order denying the Rule 9019 Motion to file its appellate brief with the District Court, and Pyrrhuloxia stipulates that LCPI shall have five (5) weeks from the date of the filing of Pyrrhuloxia's brief to file LCPI's appellate brief with the District Court.
7. Within five (5) days of the date that the Approval Order becomes a final order, Pyrrhuloxia shall file with the District Court a Stipulation of Dismissal with Prejudice that provides for the voluntary dismissal of the Appeal in accordance with Bankruptcy Rule 8001(c) (the "Stipulation of Dismissal"), which shall be in form and substance reasonably acceptable to LCPI and which shall provide for the payment of any court costs associated with the Appeal by Pyrrhuloxia (though not any costs or expenses of any party to the Appeal).
8. LCPI and Pyrrhuloxia shall use commercially reasonable efforts to settle all of the Trades by the date that is fourteen (14) days after approval by the District Court of the Stipulation of Dismissal.
9. The Bankruptcy Court shall retain jurisdiction to determine any dispute between the parties with respect to the assumption of the Trades and the terms hereof.
10. The undersigned signatory on behalf of Pyrrhuloxia confirms that he or she is authorized to enter into this letter agreement on behalf of

Pyrrhuloxia LP
March 3, 2009
Page 4

Pyrrhuloxia. The undersigned signatory on behalf of LCPI confirms that, subject to the entry of the Approval Order, she is authorized to enter into this letter agreement on behalf of LCPI.

11. The terms of this letter agreement may not be disclosed by LCPI or Pyrrhuloxia to anyone other than (i) the professionals retained by the Creditors' Committee in LCPI's chapter 11 case, (ii) the professionals, employees and agents retained or employed by LCPI and Pyrrhuloxia, or (iv) such persons as may be agreed by the parties hereto. LCPI and Pyrrhuloxia agree that, notwithstanding the foregoing, a redacted copy of this letter agreement may be filed with the Bankruptcy Court in connection with the Rule 9019 Motion.

Pyrrhuloxia LP
March 3, 2009
Page 5

Please confirm your agreement to the foregoing terms in the space provided below.

Sincerely,

LEHMAN COMMERCIAL PAPER INC.

By:

Title:


SALLY M. NANCOZ
AUTHORIZED SIGNATORY

ACCEPTED AND AGREED TO:

PYRRHULOXIA, LP

By:


Title: Chief Operating Officer

of CPMS, Inc., its general partner